



CALIFORNIA EMERGENCY MANAGEMENT AGENCY
LOCAL ASSISTANCE MONITORING BRANCH
3650 SCHRIEVER AVENUE
MATHER, CALIFORNIA 95655
PHONE: (916) 845-8120 FAX: (916) 845-8380

August 17, 2009

Diane Stambaugh
Grants Program Manager
Office of Emergency Services
County of Santa Clara
70 West Hedding Street
2nd Floor, East Wing
San Jose, CA 95110

SUBJECT: MANAGEMENT DECISION – SINGLE AUDIT REPORT
FOR THE PERIOD ENDED JUNE 30, 2008
FINDING 2008-4

Dear Ms. Stambaugh:

The California Emergency Management Agency (Cal EMA), formerly the Governor's Office of Emergency Services (OES), has reviewed the above-mentioned audit report issued by the Macias Gini & O'Connell, LLP on December 17, 2008. In reviewing the report, the following audit finding 2008-4 was identified:

"During the performance of our testwork over this federal compliance requirement, we noted...[County of Santa Clara] OES (CSC OES) did not require its subrecipients receiving funds to submit single audit reports. The County did not identify the subrecipients in which single audits are performed, obtain and review the most recent single audit reports to determine if the subrecipients had a completed audit within the required time frame, nor ascertain if these subrecipients had findings or questioned costs related to the grants provided."

In the Corrective Action Plan (CAP) portion of the audit report, the CSC OES states that it understands that it has responsibility for monitoring subrecipient single audits, pursuant to OMB Circular A-133. CSC OES states that it has "requested copies of single audit reports from all subrecipients who expended (received) \$500,000 or more in Federal grant funds for FY 2008... Staff is in the process of review to determine if there are any findings related to Homeland Security Grant expenses. If there are any pertinent findings, CSC OES will follow up with the subrecipients to monitor if appropriate corrective actions were made in a timely way." The CAP also outlines actions to be made at the beginning of FY 2009 to continue to address this finding. Based on your response, Cal EMA considers this finding resolved and no follow up is needed at this time.

Thank you for addressing the referenced program issues in a timely and effective manner. If you have any questions regarding this letter, please call (916) 845-8120.

Sincerely,

A handwritten signature in cursive script, appearing to read "Catherine Lewis".

CATHERINE LEWIS
INTERIM BRANCH CHIEF

cc: State Controller's Office